

## **Draft Budget 2018-2019**

### **Proposed policy changes:**

#### **Virement Policy**

Add

#### **SECTION A: DEFINITIONS**

12. The definition of vote is set at Directorate level.

**Add**

#### **SECTION E**

(n) An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to Municipal Supply Chain Management Policy and Systems as periodically reviewed.

o. Virements may not be made between Expenditure and Income unless there is a change in the accounting policies which reclassified items.

#### **SECTION F**

c A virement form must be completed and motivated and signed by the relevant Director / **Town Manager** for all Budget Transfers.

#### **OPERATING BUDGET VIREMENTS**

- a. Virements are not allowed to utilise any special purpose operating budgetary allocations approved by Council and which is specifically mentioned and highlighted as such during the approval of the budget.
  - b. Only Council may consider the virements of these funds mentioned above and only after full motivations were provided for these virements.
  - c. Virements in respect of expenditure line items funded from Transfers and Subsidies or any other external source of finance must be in line with approved business plans and must comply with the conditions of the specific contract / grant conditions.
  - d. When a virement is request, it should be from the same funding source.
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## **Indigent Policy**

Clause 1.1 of Chapter 2:

- (a) grant for older persons;

### **Amend**

- (a) additional grant for older persons;

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## **Credit Control and Debt Collection Policy**

Clause 6.1 reads as follow:

### **1. Interest on arrears**

- 6.1 Interest at the rate as determined by the municipality (normally one percent higher than the prime rate) in accordance with the Municipal Systems Act 32, 2000 will be charged on arrears on the day **following the final date for payment as indicated on the account.** For this purpose, part of a month will be treated as a full month. Interest rate determined on a monthly basis at Prime + 1%

### **Amend**

### **1. Interest on arrears**

- 6.1 Interest at the rate as determined by the municipality (normally one percent higher than the prime rate) in accordance with the Municipal Systems Act 32, 2000 will be charged on arrears on the day ~~**following the final date for payment as indicated on the account**~~ **the month end run will be conducted.** For this purpose, part of a month will be treated as a full month. Interest rate determined on a monthly basis at Prime + 1%

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## **Tariff Policy**

Clause 12 reads as follow:

Interest to be calculated at PRIME Rate plus 1%, becomes owing and payable on any balance which is outstanding **after the expiry date specified in any account.** A portion of a month will be deemed to be a full month.

### **Amend**

Interest to be calculated at PRIME Rate plus 1%, becomes owing and payable on any balance which is outstanding ~~**after the expiry date specified in any account**~~ **on the date the month end run will be conducted.** A portion of a month will be deemed to be a full month.

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